



Indiana Local Government Information Website

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How To Read Your Assessment Notice

Revised November 2006

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Introduction

During 2006 most Indiana homeowners and other property owners received a notice of assessment from their township assessor. This notice, known as the "Form 11," has not been something that property owners have received very often, so they are not likely to be familiar with its meaning. Because of a new assessment policy, called "trending", many property owners may receive a Form 11 every year.

Assessment notices are sent to every property owner during statewide reassessments. The last statewide reassessment was in 2002-2003 (though some counties took longer). A reassessment involves the re-valuation of all land and buildings in the state for property tax purposes. Assessed values also will change when there is new construction, additions, remodeling or changes in land use.

Starting in 2006, for taxes in 2007, assessors will adjust assessments for changes in their potential sales prices, or market values. In 2006 assessments will be adjusted from values based on 1999 selling prices, to values based on 2005 selling prices. In 2007 and after, assessments will be adjusted for one-year changes in market values. The changes in assessed values in 2006 are likely to be large, because of the six-year adjustment. Future changes are likely to be smaller.

The assessed value on the Form 11 is the starting point for calculating annual property tax payments, but you won't see the amount of property tax you owe on the form. The Form 11 merely informs you of the assessor's opinion of the value of your property. That's just the starting point for calculating tax bills. Starting with the assessed value, deductions are subtracted, the result is multiplied by a tax rate, and credits are subtracted. The tax bill is a different form, which will arrive in a different envelope (and might

not arrive at all if it's sent to the bank that holds your mortgage instead).

<i>Links to More Information</i>	
To Find:	Go To:
A topics page about changes in property tax policy in Indiana since the 1998 Supreme Court decision.	<u>This website: Property Tax Assessment Policy</u>
A topics page about how property is assessed.	<u>This website: How Your House is Assessed</u>
A topics page on property tax bills.	<u>This website: How to Read Your Property Tax Bill</u>
An explanation of "annual adjustments", also known as "trending", from the Indiana Department of Local Government Finance (DLGF).	<u>DLGF website: Annual Adjustment Fact Sheet</u>

Reading the Form 11

Here's an example of a "Notice of Assessment of Land and Structures," the State's "Form 11" assessment notice. Notices will look a little different in each county, but they all contain the same essential information. This is a notice that was mailed to a homeowner in Tippecanoe County (with the names and address removed). Run your cursor over this notice. You can click on the parts where your cursor shows a link, to see an explanation of what it means. Or you can scroll down to read about it.

**NOTICE OF ASSESSMENT OF LAND AND STRUCTURES**

State Form 45650 (R4 / 1-02)

FORM 11 C/I ☐

State Form 21366 (R5 / 1-02)

FORM 11 R/A ☒

Prescribed by Department of Local Government Finance

This notice indicates the assessed value of your property. Information on the valuation of your property and a copy of the property record card can be obtained from the Township Assessor at the telephone number and address below. You have the right to appeal this assessment by filing a Petition For Review Of Assessment (Form 130) with the County Assessor within forty-five (45) days of the date this notice was mailed. You may obtain a copy of Form 130 at the County Assessor's office.

Name and address of property owner	Legal description
	Parcel or ID number
	Property address

Previous Assessment (at 100%)		New Assessment Effective March 1, 20 ⁰⁶	
Land	43600	Land	43600
Structures	140100	Structures	162500
Total	183700	Total	206100

Reason for revision of assessment

OFFICE OPEN WEDNESDAY, SEPTEMBER 13TH WITH TEMPORARY HELP ONLY

ASSESSED VALUE TRENDED PER IC 6-1.1-4.5

THIS IS YOUR NEW ASSESSED VALUE FOR MARCH 1ST 2006 PAY 2007.
 IT IS BASED ON 2004 & 2005 SALES IN YOUR AREA. IF YOU FEEL
 THAT YOUR VALUE IS NOT WHAT YOU COULD SELL YOUR PROPERTY FOR
 AND YOU HAVE EVIDENCE TO SUBSTANTIATE THIS FACT, YOU NEED TO
 CONTACT US WITHIN 45 DAYS FROM THE DATE OF THIS NOTICE.

County TIPPECANOE	Township WABASH	Date of notice 9/01/06
Township Assessor ELEANOR J. MLYNARIK, WABASH TWP ASSESSOR		Telephone number (765) 423-9281
Address (number and street, city, state ZIP code) 20 NORTH 3RD STREET LAFAYETTE, IN 47901-1222		

Notice of Assessment of Land and Structures

This is just the title of the form. It says "land and structures" because assessment notices deal with real property, which is land and buildings. Personal property--which is mostly business equipment--is assessed in a different way.

Form 11 C/I or R/A

Form 11 is state jargon for the assessment notice. C/I stands for "commercial/industrial", and R/A stands for "residential/agricultural." Because this is a notice for a house, the R/A box is checked.

Department of Local Government Finance

This is the state agency that oversees the operation of the property tax. One of the many things they do is prescribe forms to be used in the assessment process. More importantly, they also publish guidelines for assessors to follow when doing property assessments. DLGF also sponsors an "equalization study" which measures the results of assessments, by comparing assessments to property sales prices.

<i>Links to More Information</i>	
To Find:	Go To:
Information about the Department of Local Government Finance	<u>Department of Local Government Finance website</u>
Results of the equalization study, conducted for the DLGF by the Indiana Fiscal Policy Institute	<u>Indiana Fiscal Policy Institute website</u>

Owner's Name and Address, Legal Description, Parcel ID and Property Address

Here you'll find the name and address of the property owners, the address of the property, the legal description and the property's identification number. The names and addresses have been blanked out on the notice here. The "Parcel or ID number" could be useful if you have questions for the local assessors, because it will be the way the property is identified in the county's computer data base. The assessor probably will ask you for this number to help answer your questions.

Previous Assessment

A Form 11 is mailed when there is a change in a property's assessed value. The previous assessed value is listed here. This is the assessed value that was determined in the last reassessment, in March 2002, for taxes payable in 2003. March 2002 was the official deadline, anyway. Because of delays created by a

court case, though, most counties missed this deadline and finished their 2002 reassessments late. The assessed value of property was \$183,700, in total. It says "Previous Assessment (at 100%)" because prior to 2001-02 Indiana divided its assessments by 3 before applying the tax rate. Indiana got rid of this division by three for taxes payable in 2002 and after. This tripled all assessments, but reduced tax rates by one-third, so it made no difference in tax bills. Prior to 2002 the assessed value would have said "at 33.3%" to indicate division by 3.

The notice shows a land and structure value. The land value represents what a vacant lot would sell for if there was no house on it. The structure value is the amount the house adds to the total value. The sum is the total assessed value, which should be near the potential selling price of the house. Assessment for property tax purposes is done on a mass appraisal basis, so anything within ten percent of the actual selling price is thought to be acceptable.

New Assessment Effective March 1, 2006

This is the most important information on the Form 11. The key number is the total, here \$206,100. That's the new assessed value of the property. Because Indiana is now a market value state, *the total assessed value is a prediction of the selling price of the property*. You should see in the total assessment box a number that is very much like what you think your house is worth.

Many homeowners have an idea about what their houses are worth, but some do not. If you are not sure about the market value of your house, ask yourself two questions.

1. Would I sell my house for this price? You'd probably answer "no" only if the assessment is too low. If you answer "yes," the assessment might be about right. But if you'd really be excited to receive that price, maybe the assessment is too high.
2. Would anyone buy my house for this price? If you answer "no", then the assessment may be too high. A price that you'd be excited to receive is likely a price that no one would pay. If you answer "yes", then the assessment may be about right, or it may be too low. If you'd refuse to sell at the price if it was offered, then the assessment may be too low.

So, if you can answer yes to both these questions, your house is probably assessed correctly. Otherwise, there may be a problem with your assessment.

Reason for Revision of Assessment

Here's where the assessor tells you why your property was reassessed. In this case, assessment changed because of trending, the annual adjustment of assessed value to take account of changing market values. This assessor cites the state law that requires trending (perhaps as a way of saying, "it's not my fault!"). The phrase "March 1 2006 pay 2007" refers to the assessment date, March 1. Assessed values are set each year as of March 1. "Pay 2007" means that taxes in 2007 will be based on the assessments set in 2006.

This assessment was based on sales from 2004 and 2005 in the neighborhood in which this house is located. Assessors establish neighborhoods or assessment areas in which they think properties and sales prices are similar. Changes in the prices of properties that sell can then be taken as indications of the

potential selling prices of property that hasn't sold. This is known as the "comparative sales" assessment method.

The text in the big white space will differ when the reason for reassessment differs, and different township and county assessors may describe similar events in different ways. The Form 11's that property owners will receive each year from now on will usually mention the new annual adjustment trending policy.

Your Right to Appeal

The four lines of text at the top of the form are the Department of Local Government Finance's try at explaining to you what this form is, and what you can do if you don't agree with it. The text may be hard to read, so here's what it says:

This notice indicates the assessed value of your property. Information on the valuation of your property and a copy of the property record card can be obtained from the Township Assessor at the telephone number and address below. You have the right to appeal this assessment by filing a Petition For Review of Assessment (Form 130) with the County Assessor within forty-five (45) days of the date this notice was mailed. You may obtain a copy of Form 130 at the County Assessor's office.

The property record card is a record of information about the characteristics of your property, which the assessors use to value it. It usually has a simple diagram of the building and the lot, a list of other features of the property and its neighborhood, and some information about how the property was valued. You can call the township assessor, but in most counties the property record cards are kept by the county assessor.

This assessor reminds the taxpayer of the right to appeal in the Reason for Revision of Assessment box. You do not have to accept the valuation that the assessor places on your property. If you disagree with the assessment and want to appeal, though, you must present evidence to substantiate a different value.

Indiana provides an elaborate appeal process, starting with a local board, and continuing up to the state appeals board and ultimately to the State Tax Court. Property owners have 45 days from the date the notice is mailed to file an appeal. This date of notice shows up on the bottom right corner of the Form 11.

To appeal, you should first contact your local assessor (township or county). Sometimes there are simple errors that are easily corrected. Otherwise, you'll need a Form 130, which lets the property owner say what he or she thinks the property should be assessed at, and why. You can get a blank form from the county assessor, or on-line from the Department of Local Government Finance website, or from this website. This form is filed with the county assessor, and considered by the County Property Tax Assessment Board of Appeals (PTABOA). And, yes, this board really is known as the "Peeta-Bowa" in Indiana assessing circles.

If the property owner is still not satisfied after a PTABOA hearing, he or she may appeal to the state appeals body, the Indiana Board of Tax Review. The property owner has 30 days to file an appeal to the Board, then the Board has nine months to a year to hear the case, and three to six months after that to

decide. The property owners can ask for a re-hearing if unsatisfied with the Board's decision. After that, the appeals process moves out of state administration, and into the courts. An appeal to the State Tax Court is the last step.

If you think your assessment is too high, and you want to appeal, what evidence should you present? That's hard to say for sure, because Indiana is a very new market value state. Different counties may look for difference evidence.

One can imagine several kinds of evidence:

- the property record card. This is a document kept at the assessors' office that gives some of the details about how your property was assessed. You should check it, because sometimes the details on the card are wrong. Maybe your assessment was wrong because the card shows that you have a swimming pool that you don't really have.
- the sales price of the property, if it sold recently. The property owner probably would have to show that it was an "arms-length" transaction, with a buyer and seller both acting in their own interest, not under time pressure. If you got a sweet price from your brother-in-law, the sales price may not do.
- an appraisal of the property. This costs money, of course, but an opinion from a professional appraiser could provide the kind of documentation the assessor is asking for.
- comparisons to sales prices of similar properties. Look around your neighborhood for houses similar to yours that have sold recently. This is the kind of evidence that assessors use to help assess properties that haven't sold recently, so you might be able to use this evidence too. A friendly real estate agent might provide you with this information. Sales prices are also recorded on sales disclosure forms, which are filed with the county assessor, and should be available to the public.
- comparisons to assessments of similar properties. Is your assessment out-of-line with those of your neighbors?

This last point brings up a nasty possibility. Your assessment may be right--it may be an excellent prediction of what your property could sell for. But if your neighbors are all under-assessed (assessments less than sales price), you will pay too much in property taxes. If lots of property is under-assessed, the jurisdiction's tax rate must be higher to raise every dollar of property tax revenue. You'll be paying a higher rate on your accurately assessed property than you would if all property were accurately assessed.

There's not much that taxpayers can do about widespread assessment errors (since your neighbors are not likely to appeal their low assessments). To catch problems like that, the Department of Local Government Finance sponsored an "equalization study" in every county. Such studies compare assessed values to sales prices for properties that sell, to try to measure how uniform assessments are in the whole jurisdiction. If there are problems, it's DLGF's responsibility to work with local assessors to see that they are corrected.

Links to More Information	
To Find:	Go To:

A link to an Indiana state website with copies of property tax forms, including the appeals form, Form 130	<u>Indiana Commission on Public Records website</u>
The Indiana Board of Tax Review's summary of the assessment appeals process	<u>Board of Tax Review website</u>
Results of the equalization study, conducted for the DLGF by the Indiana Fiscal Policy Institute	<u>Indiana Fiscal Policy Institute website</u>

Contact Information

The Form 11 tells you what county and township the property is in. Indiana has both township and county assessors. In most counties township assessors are responsible for the assessment of property, while county assessors keep the computer data bases and provide oversight. In some counties the township and county assessors do the job, and in others private assessing firms are hired.

If you want to complain about your assessment, the Form 11 gives you the name, phone number and address of your local assessor. You also could surprise him or her by calling to say how much you liked your assessed value, if it was right.

<i>Links to More Information</i>	
<i>To Find:</i>	<i>Go To:</i>
Information about the next step in the property tax process, the tax bill.	<u>This web site: How to Read Your Property Tax Bill</u>